

TRANSMITTAL SLIP		DATE <i>26 Aug</i>
TO: <i>OS/Regent</i>		
ROOM NO.	BUILDING <i>1</i>	
REMARKS: <i>Per file</i>		
FROM: <i>C/PPS</i>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. REPLACES FORM 36-8

(47)

Page Denied

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OS REGISTRY

08 AUG 1988

OCA 88-2621
5 August 1988

MEMORANDUM FOR: Director of Security

FROM: John E. Bacon, Congressional Affairs

SUBJECT: House Passes Computer Matching Act (H.R.4699)
with Exemption Intact.

1. Attached is a copy of H.R. 4699, Computer Matching Act and Report from the Committee on Government Operations. The bill was passed by the House on 1 August. I anticipate favorable action in the Senate before the close of the 100th Congressional session.

2. You should note section 5(a)(3)(vi) which contains the exemption for computer matches performed to produce background checks for security clearances of Federal personnel. This is the exemption we worked out with the Committee last summer. The Senate will also support the exemption.

3. Please advise soonest if you note any other problems. I expect not since OS carefully reviewed the bill through its various iterations.

cc: DDA (no att.)

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House Floor continued ...

elect to retire prior to the closure of the Phoenix Indian High School, agreed to by voice

MILLER motion to recommit HR 4519 to the Interior Cmte with instructions to hold hearings and report a bill providing for: the competitive bidding sale of the Phoenix Indian School property; the transfer of land to the VA, city of Phoenix, and state of Ariz; and proceeds from the competitive sale of the Indian School to be used for the purchase of the Fla lands and the enhancement of Indian education, rejected by 133-279

HR 4519, as amended, passed by 281-125
HR 5026 FY88 Dire Emergency Supplemental Approps

APPROPS CMTE amendment relating to the U.S. Emergency Migration and Refugee Assistance Fund, agreed to by voice

HR 5026, as amended, passed by 357-54
HR 1516 Tongass Timber Reform Act

H Res 488, agreed to by voice
INTERIOR CMTE substitute amendment, agreed to by voice

VOLKMER amendments to make technical corrections in the 1980 Alaska Natl Interest Lands Conservation Act to ensure that certain rpts concerning the Tongass Natl Forest are provided to the Agriculture Cmte, and authorize the Agriculture Secy, within one yr of the enactment of the bill, to make necessary changes to achieve negotiating objectives on long-term timber contracts achievable solely through unilateral action, agreed to by voice

YOUNG of Alaska substitute amendment, rejected by 100-311

YOUNG of Alaska amendment to allow for more economic and larger clearcuts of timber, withdrawn

MILLER of Calif technical amendment, agreed to by voice (modified)

VOLKMER amendment to direct the Forest Service to place greater emphasis on the protection of fish and wildlife habitats in the Tongass Forest from the impact of timber harvesting, agreed to by voice

YOUNG of Alaska amendment to provide compensation to workers certified to have lost their jobs as a result of the enactment of the bill by providing financial aid for a period of up to six yrs, such as health benefits, unemployment/severance pay, layoff and vacation benefits, and re-training and relocation expenses, rejected by voice

YOUNG of Alaska motion to recommit HR 1516 to Interior Cmte, rejected by voice

HR 1516, as amended, passed by 361-47 (title amended)
HR 1226 Amend Fed Food, Drug, and Cosmetic Act to Require Appointment of the Commnr of Food and Drugs to be Subject to Senate Confirmation

WAXMAN unanimous consent that the House insist on its amendment to the Senate amendment and request a conference with the Senate

For a list of House conferees see Conference Cmtes section

HR 3964 Establish a Natl Park System Review Bd
Rule, H Res 494, agreed to by voice
INTERIOR CMTE substitute amendment, agreed to by voice
CRAIG substitute amendment, rejected by 145-231

HR 1860

HR 3964, as amended, passed by 248-130
Fed Land Exchange Facilitation Act

VENTO unanimous consent motion to concur in the Senate amendments with an addl House amendment

HR 1860 now returns to the Senate for consideration of the House amendment.

Thursday, July 28:

HR 5015 **Provide drought assistance to agriculture producers** Short title: *Drought Assistance Act* passed 368-29

Friday, July 29:

Not in session

Week of August 1**Monday, August 1:**

Convenes at Noon

Under suspension of the rules

HR 4310 **Extend for addl 5 yr period certain provisions of U.S. Code relating to rental of sound recordings** begin consideration

S 2385 **Amend Public Health Service Act to revise and extend the programs of assistance for primary health care, the program of health services for the homeless, and the program for the prevention and control of sexually transmitted diseases** begin consideration
Amend U.S. Code to ensure privacy, integrity, and verification of data disclosed for computer matching and establish data integrity bds within fed agencies Short title: *Computer Matching and Privacy Protection Act* begin consideration

HR 4699

Tuesday, August 2:

HR 1414 **Amend Price-Anderson provisions of the Atomic Energy Act to extend and improve the procedures for liability and indemnification for nuclear incidents** begin consideration

Wednesday, August 3:

H Res 499 **Impeaching Alcee Hastings, judge of the southern district of Fla, for high crimes and misdemeanors** begin consideration

HR 442 **CONFERENCE REPORT: Implement recommendations of the Commn on Wartime Relocation and Internment of Civilians** begin consideration

HR 4352 **Amend Stewart B McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless** begin consideration

Thursday, August 4:

HR 4333 **Make technical corrections relating to the Tax Reform Act** begin consideration

Friday, August 5:

Not in session

Outlook

The legislation implementing the U.S.-Canada Free Trade agreement will be on the floor either August 10 & 11 or the Week of September 5

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cases, it will be essential for health care services to be provided.

This bill has strong bipartisan support. I urge all Members to join in supporting this important bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUKE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the chairman of the Subcommittee on Health and the Environment in supporting the reauthorization of the Community and Migrant Health Centers programs and the grant program to reduce infant mortality. The version of the bill before us today will enhance the operations of the health centers and improve the prevention-oriented, primary care services provided to otherwise medically underserved populations. The number of people in this country who have no health insurance is too high. It's an unfortunate fact that in rural areas the rate of uninsurance is even higher—15 percent higher in fact. The Federal programs reauthorized by this bill are the only Federal programs designed to help the rural uninsured. This bill represents a compromise that has been worked out with the Senate. It was passed in the Senate by unanimous consent on Friday, July 29.

The Migrant and Community Health Centers programs are the primary Federal programs designed to assure that health care is provided to medically underserved areas of the country, particularly to our rural States, and to medically underserved populations. In fiscal year 1988, these programs served an estimated 5.25 million urban and rural residents and 470,000 migrant and seasonal farm workers.

In addition to reauthorizing these programs, the bill establishes a separate initiative to reduce the incidence of infant mortality. Both community health centers and migrant health centers will be eligible for these grants and the Secretary is instructed to give priority to those areas in which there is a substantial incidence of infant mortality or there is a significant increase in the incidence of infant mortality.

These programs deserve our support. Currently, there are approximately 37 million uninsured Americans. These programs represent a credible and important effort to ensure that these individuals receive adequate health care. As the founder and cochairman of the House rural health care coalition and as a member of the National Commission to Prevent Infant Mortality, I am keenly aware of the vital role these programs play in meeting the health care needs of rural Americans and of pregnant women and children. For these reasons, I urge my colleagues to join me in supporting this bill.

Madam Speaker, I yield back the balance of my time.

Mr. WAXMAN. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and concur in the Senate amendment to the House amendments to S. 2385.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to the House amendments to S. 2385 was concurred in.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION REGARDING IMPEACHMENT OF ALCEE L. HASTINGS

Mr. EDWARD of California, from the Committee on the Judiciary, submitted a privileged report (Rept. No. 400-810) on the resolution (H. Res. 499) impeaching Alcee L. Hastings, Judge of the U.S. District Court for the Southern District of Florida, for high crimes and misdemeanors, which was referred to the House Calendar and ordered to be printed.

COMPUTER MATCHING AND PRIVACY PROTECTION ACT OF 1988

Mr. ENGLISH. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4699) to amend title 5, United States Code, to ensure privacy, integrity, and verification of data disclosed for computer matching, to establish data integrity boards within Federal agencies, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Computer Matching and Privacy Protection Act of 1988".

SEC. 2. MATCHING AGREEMENTS.

Section 552a of title 5, United States Code, is amended—

(1) by redesignating subsections (o), (p), and (q) as subsections (r), (s), and (t), respectively; and

(2) by inserting after subsection (n) the following new subsections:

"(o) MATCHING AGREEMENTS.—(1) No record which is contained in a system of records may be disclosed to a recipient agency or non-Federal agency for use in a computer matching program except pursuant to a written agreement between the source agency and the recipient agency or non-Federal agency specifying—

"(A) the purpose and legal authority for conducting the program;

"(B) the justification for the program and the anticipated results, including a specific estimate of any savings;

"(C) a description of the records that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program;

"(D) procedures for providing individualized notice at the time of application, and periodically thereafter as directed by the Data Integrity Board of such agency (subject to guidance provided by the Director of the Office of Management and Budget pursuant to subsection (e)), to—

"(i) applicants for and recipients of financial assistance or payments under Federal benefit programs; and

"(ii) applicants for and holders of positions as Federal personnel,

that any information provided by such applicants, recipients, holders, and individuals may be subject to verification through matching programs;

"(E) procedures for verifying information produced in such matching program as required by subsection (p);

"(F) procedures for the timely destruction of identifiable records created by a recipient agency or non-Federal agency in such matching program;

"(G) procedures for ensuring the administrative, technical, and physical security of the records matched and the results of such programs;

"(H) prohibitions on duplication and redisclosure of records provided by the source agency within or outside the recipient agency or the non-Federal agency, except where required by law or essential to the conduct of the matching program;

"(I) procedures governing the use by a recipient agency or non-Federal agency of records provided in a matching program by a source agency, including procedures governing return of the records to the source agency or destruction of records used in such program;

"(J) information on assessments that have been made on the accuracy of the records that will be used in such matching program; and

"(K) that the Comptroller General may have access to all records of a recipient agency or a non-Federal agency that the Comptroller General deems necessary in order to monitor or verify compliance with the agreement.

"(2)(A) A copy of each agreement entered into pursuant to paragraph (1) shall—

"(i) be transmitted to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives; and

"(ii) be available upon request to the public.

"(B) No such agreement shall be effective until 30 days after the date on which such a copy is transmitted pursuant to subparagraph (A)(i).

"(C) Such an agreement shall remain in effect only for such period, not to exceed 18 months, as the Data Integrity Board of the agency determines is appropriate in light of the purposes, and length of time necessary for the conduct, of the matching program.

"(D) Within 3 months prior to the expiration of such an agreement pursuant to subparagraph (C), the Data Integrity Board of the agency may, without additional review, renew the matching agreement for a current, ongoing matching program for not more than one additional year if—

"(i) such program will be conducted without any change; and

"(ii) each party to the agreement certifies to the Board in writing that the program has been conducted in compliance with the agreement.

"(p) VERIFICATION AND OPPORTUNITY TO CONTEST FINDINGS.—(1) In order to protect any individual whose records are used in matching programs, no recipient agency, non-Federal agency, or source agency may suspend, terminate, reduce, or make a final

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Denial of any financial assistance under a Federal benefit program to such individual, or take other adverse action against such individual as a result of information produced by such matching programs, until an officer or employee of such agency has independently verified such information. Such independent verification may be satisfied either (A) by verification in accordance with the requirements governing such Federal benefit program, or (B) by verification in accordance with the requirements of paragraph (2).

"(2) Independent verification required by paragraph (1)(B) shall include independent investigation and confirmation of—

"(A) the amount of the asset or income involved,

"(B) whether such individual actually has or had access to such asset or income for such individual's own use,

"(C) the period or periods when the individual actually had such asset or income, and

"(D) any other information used as a basis for an adverse action against an individual.

"(3) No recipient agency, non-Federal agency, or source agency may suspend, terminate, reduce, or make a final denial of any financial assistance or payment under a Federal benefit program to any individual described in paragraph (1), or take other adverse action against such individual as a result of information produced by a matching program, until 60 days after such individual receives a notice from such agency containing a statement of its findings and informing the individual of the opportunity to contest such findings. Such opportunity may be satisfied by notice, hearing, and appeal rights governing such Federal benefit program. The exercise of any such rights shall not affect any rights available under this section.

"(4) Notwithstanding paragraph (3), an agency may take any appropriate action otherwise prohibited by such paragraph if the agency determines that the public health or public safety may be adversely affected or significantly threatened during the 60-day notice period required by such paragraph.

"(5) SANCTIONS.—(1) Notwithstanding any other provision of law, no source agency may disclose any record which is contained in a system of records to a recipient agency or non-Federal agency for a matching program if such source agency has reason to believe that the requirements of subsection (p), or any matching agreement entered into pursuant to subsection (o), or both, are not being met by such recipient agency.

"(2) No source agency may renew a matching agreement unless—

"(A) the recipient agency or non-Federal agency has certified that it has complied with the provisions of that agreement; and

"(B) the source agency has no reason to believe that the certification is inaccurate."

SEC. 3. NOTICE OF MATCHING PROGRAMS.

(a) NOTICE IN FEDERAL REGISTER.—Subsection (e) of section 552a of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (10),

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(12) if such agency is a recipient agency or a source agency in a matching program with a non-Federal agency, with respect to any establishment or revision of a matching program, at least 30 days prior to conducting such program, publish in the Federal Register notice of such establishment or revision."

(b) REPORT TO COMMITTEES AND OFFICE OF MANAGEMENT AND BUDGET.—Subsection (r) of section 552a of title 5, United States Code, as redesignated by section 2(b)(1) of this Act, is amended to read as follows:

"(r) REPORT ON NEW SYSTEMS AND MATCHING PROGRAMS.—Each agency that proposes to establish or make a significant change in a system of records or a matching program shall provide adequate advance notice of any such proposal (in duplicate) to the Committee on Government Operations of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Office of Management and Budget in order to permit an evaluation of the probable or potential effect of such proposal on the privacy or other rights of individuals."

SEC. 4. DATA INTEGRITY BOARD.

Section 552a of title 5, United States Code, as amended by section 2(b)(1) of this Act, is amended by adding at the end thereof the following new subsection:

"(u) DATA INTEGRITY BOARDS.—(1) Every agency conducting or participating in a matching program shall establish a Data Integrity Board to oversee and coordinate among the various components of such agency the agency's implementation of this section.

"(2) Each Data Integrity Board shall consist of senior officials designated by the head of the agency, and shall include any senior official designated by the head of the agency as responsible for implementation of this section, and the inspector general of the agency, if any. The inspector general shall not serve as chairman of the Data Integrity Board.

"(3) Each Data Integrity Board—

"(A) shall review, approve, and maintain all written agreements for receipt or disclosure of agency records for matching programs to ensure compliance with subsection (o), and all relevant statutes, regulations, and guidelines;

"(B) shall review all matching programs in which the agency has participated during the year, either as a source agency or recipient agency, determine compliance with applicable laws, regulations, guidelines, and agency agreements, and assess the costs and benefits of such programs;

"(C) shall review all recurring matching programs in which the agency has participated during the year, either as a source agency or recipient agency, for continued justification for such disclosures;

"(D) shall compile an annual report, which shall be submitted to the head of the agency and the Office of Management and Budget and made available to the public on request, describing the matching activities of the agency, including—

"(i) matching programs in which the agency has participated as a source agency or recipient agency;

"(ii) matching agreements proposed under subsection (o) that were disapproved by the Board;

"(iii) any changes in membership or structure of the Board in the preceding year;

"(iv) the reasons for any waiver of the requirement in paragraph (4) of this section for completion and submission of a cost-benefit analysis prior to the approval of a matching program;

"(v) any violations of matching agreements that have been alleged or identified and any corrective action taken; and

"(vi) any other information required by the Director of the Office of Management and Budget to be included in such report;

"(E) shall serve as a clearinghouse for receiving and providing information on the accuracy, completeness, and reliability of records used in matching programs;

"(F) shall provide interpretation and guidance to agency components and personnel on the requirements of this section for matching programs;

"(G) shall review agency recordkeeping and disposal policies and practices for matching programs to assure compliance with this section; and

"(H) may review and report on any agency matching activities that are not matching programs.

"(4) A Data Integrity Board shall not approve any written agreement for a matching program unless the agency has completed and submitted a cost-benefit analysis of the proposed program and such analysis demonstrates that the program is likely to be cost effective. The Board may waive the requirements of this paragraph if it determines in writing, in accordance with guidelines prescribed by the Director of the Office of Management and Budget, that a cost-benefit analysis is not required.

"(5)(A) If a matching agreement is disapproved by a Data Integrity Board, any party to such agreement may appeal the disapproval to the Director of the Office of Management and Budget. Notice of the appeal must be provided to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(B) The Director of the Office of Management and Budget may approve a matching agreement notwithstanding the disapproval of a Data Integrity Board if the Director determines that—

"(i) the matching program will be consistent with all applicable legal, regulatory, and policy requirements;

"(ii) there is adequate evidence that the matching agreement will be cost-effective; and

"(iii) the matching program is in the public interest.

"(C) The decision of the Director to approve a matching agreement shall not take effect until 30 days after it is reported to committees described in subparagraph (A).

"(D) If the Data Integrity Board and the Director of the Office of Management and Budget disapprove a matching program proposed by the inspector general of an agency, the inspector general may report the disapproval to the head of the agency and to the Congress.

"(6) The Director of the Office of Management and Budget shall, annually during the first 3 years after the date of enactment of this subsection and biennially thereafter, consolidate in a report to the Congress the information contained in the reports from the various Data Integrity Boards under paragraph (3)(D). Such report shall include detailed information about costs and benefits of matching programs that are conducted during the period covered by such consolidated report, and shall identify each waiver granted by a Data Integrity Board of the requirement for completion and submission of a cost-benefit analysis and the reasons for granting the waiver.

"(7) In the reports required by paragraphs (3)(D) and (6), agency matching activities that are not matching programs may be reported on an aggregate basis, if and to the extent necessary to protect ongoing law enforcement investigations."

SEC. 5. DEFINITIONS.

Subsection (a) of section 552a of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and

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(1) by adding at the end thereof the following new paragraph:

(1) the term "matching program" means any computerized comparison of—

(i) two or more automated systems of records or a system of records with non-Federal records for the purpose of—

(I) establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements by, applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefit programs, or

(II) recouping payments or delinquent debts under such Federal benefit programs, or

(ii) two or more automated Federal personnel or payroll systems of records or a system of Federal personnel or payroll records with non-Federal records,

(3) but does not include—

(i) matches performed to produce aggregate statistical data without any personal identifiers;

(ii) matches performed to support any research or statistical project, the specific data of which may not be used to make decisions concerning the rights, benefits, or privileges of specific individuals;

(iii) matches performed, by an agency (or component thereof) which performs as its principal function any activity pertaining to the enforcement of criminal laws, subsequent to the initiation of a specific criminal or civil law enforcement investigation of a named person or persons for the purpose of gathering evidence against such person or persons;

(iv) matches of tax information (i) pursuant to section 6103(d) of the Internal Revenue Code of 1986, (ii) for purposes of tax administration as defined in section 6103(b)(4) of such Code, (iii) for the purpose of intercepting a tax refund due an individual under authority granted by section 464 or 1137 of the Social Security Act; or (iv) for the purpose of intercepting a tax refund due an individual under any other tax refund intercept program authorized by statute which has been determined by the Director of the Office of Management and Budget to contain verification, notice, and hearing requirements that are substantially similar to the procedures in section 1137 of the Social Security Act;

(v) matches—

(i) using records predominantly relating to Federal personnel, that are performed for routine administrative purposes (subject to guidance provided by the Director of the Office of Management and Budget pursuant to subsection (v); or

(ii) conducted by an agency using only records from systems of records maintained by that agency;

if the purpose of the match is not to take any adverse financial, personnel, disciplinary, or other adverse action against Federal personnel; or

(vi) matches performed to produce background checks for security clearances of Federal personnel or for foreign counterintelligence purposes;

(7) the term "recipient agency" means any agency, or contractor thereof, receiving records contained in a system of records from a source agency for use in a matching program;

(8) the term "non-Federal agency" means any State or local government, or agency thereof, which receives records contained in a system of records from a source agency for use in a matching program;

(9) the term "source agency" means any agency which discloses records contained in

a system of records to be used in a matching program, or any State or local government, or agency thereof, which discloses records to be used in a matching program;

(12) the term "Federal benefit program" means any program administered or funded by the Federal Government, or any agent thereof, providing cash or in-kind assistance in the form of payments, grants, loans, or loan guarantees to individuals; and

(13) the term "Federal personnel" means officers and employees of the Government of the United States, members of the uniformed services (including members of the Reserve Components), individuals entitled to receive immediate or deferred retirement benefits under any retirement program of the Government of the United States (including survivor benefits)."

SEC. 7. FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

(a) AMENDMENT.—Section 552a of title 5, United States Code, is further amended by adding at the end thereof the following:

"(c) OFFICE OF MANAGEMENT AND BUDGET RESPONSIBILITIES.—The Director of the Office of Management and Budget shall—

(1) develop and, after notice and opportunity for public comment, prescribe guidelines and regulations for the use of agencies in implementing the provisions of this section; and

(2) provide continuing assistance to and oversight of the implementation of this section by agencies."

(b) IMPLEMENTATION GUIDANCE FOR AMENDMENTS.—The Director shall, pursuant to section 552a(v) of title 5, United States Code, develop guidelines and regulations for the use of agencies in implementing the amendments made by this Act not later than 8 months after the date of enactment of this Act.

(c) CONFORMING AMENDMENT.—Section 6 of the Privacy Act of 1974 is repealed.

SEC. 7. COMPILATION OF RULES AND NOTICES.

Section 552a(f) of title 5, United States Code, is amended by striking out "annually" in the last sentence and inserting "biennially".

SEC. 8. ANNUAL REPORT.

Subsection (3) of section 552a of title 5, United States Code (as redesignated by section 2 of this Act), is amended—

(1) by striking out "ANNUAL" in the heading of such subsection and inserting "BIENNIAL";

(2) by striking out "annually submit" and inserting "biennially submit";

(3) by striking out "preceding year" and inserting "preceding 2 years"; and

(4) by striking out "such year" and inserting "such years".

SEC. 9. RULES OF CONSTRUCTION.

Nothing in the amendments made by this Act shall be construed to authorize—

(1) the establishment or maintenance by any agency of a national data bank that combines, merges, or links information on individuals maintained in systems of records by other Federal agencies;

(2) the direct linking of computerized systems of records maintained by Federal agencies;

(3) the computer matching of records not otherwise authorized by law; or

(4) the disclosure of records for computer matching except to a Federal, State, or local agency.

SEC. 10. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall take effect 9 months after the date of enactment of this Act.

(b) Transition.—The amendments made by sections 7, 9, and 10 of this Act shall take effect upon enactment.

The SPEAKER pro tempore. Is a second demanded?

Mr. McCANDLESS. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oklahoma (Mr. ENGLISH) will be recognized for 20 minutes, and the gentleman from California (Mr. McCANDLESS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. ENGLISH).

Mr. ENGLISH. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the purpose of the Computer Matching and Privacy Protection Act of 1988 (H.R. 4699) is to regulate the use of computer matching conducted by Federal agencies or using Federal records subject to the Privacy Act of 1974.

Computer matching is an audit technique used to compare different lists in order to determine if the same individual is on both lists. Matching is typically used to establish or verify eligibility for benefit programs, to recover delinquent debts, or for similar activities. The goals of computer matching programs are certainly admirable.

But in the last few years, it has become clear that matching can be overused or misapplied. The first congressional review of computer matching was done in 1982 by Senator WILLIAM COHEN. Those hearings, and additional hearings held by Senator COHEN and by the Subcommittee on Government Information which I chair, have demonstrated that some regulation of the matching process is needed.

That is what H.R. 4699 does. It regulates the way in which Federal computer matching is conducted by adding a few new requirements to the privacy Act of 1974. The bill establishes a uniform administrative process, requires verification of data, and sets due process standards to protect the rights of individuals affected by matching.

Many of the provisions of H.R. 4699 will be familiar. The due process and verification provisions are similar to existing requirements that were passed in 1982 as part of the Deficit Reduction Act. H.R. 4699 makes these rules uniform by extending them to all matching programs involving Federal agencies or Federal records.

In addition, the bill establishes an administrative process for the approval of computer matches. H.R. 4699 provides that computer matching involving Federal data can be conducted only pursuant to matching agreements entered into by the agency providing data and the agency receiving data. Matching agreements must specify the purpose and legal authority for the

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matching program, describe the nature of the match and the expected results, include procedures for notifying individuals affected by the match and for verifying information, and describe how the records will be protected.

The bill also requires each Federal agency involved in a matching program to establish a Data Integrity Board composed of senior agency officials. The Boards will generally oversee the use of computer matching by agencies. This will include reviewing and approving matching agreements, programs, and activities; evaluating compliance of matching programs with applicable requirements; reviewing the continued justification for matching; and providing guidance.

The bill also requires that information resulting from matching programs be independently verified before adverse action can be taken. Individuals must be given notice and an opportunity to contest findings resulting from a match.

Finally, the bill gives OMB oversight responsibilities for issuing uniform guidance to agencies. This is consistent with existent OMB functions under the Privacy Act. The bill also makes a few minor and technical changes in existing Privacy Act requirements.

There is one small change in the bill as reported by the committee. We discovered a problem with the effect of the legislation on certain tax refund offset programs. The amendment makes it clear that these programs can continue without interference.

Madam Speaker, H.R. 4699 is a carefully crafted and well-balanced bill. It will accomplish its purpose simply and without any complex regulations or bureaucracy. It will regulate computer matching but allow matching to continue to be available in the fight against waste, fraud, and abuse.

A companion bill (S. 496) passed the Senate last year without dissent. Senator COHEN deserve much of the credit for this legislation. We took his bill and made some modest improvements. H.R. 4699 passed the Government Operations Committee in June of this year without dissent. I urge my colleagues to support the bill.

□ 1230

Madam Speaker, I reserve the balance of my time.

Mr. McCANDLESS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the gentleman from Oklahoma has done an excellent job explaining the bill. I will not be redundant.

Computer matching is a valuable management tool. It enables agency managers to discover—and correct—abuses in Government programs. These abuses typically cost the Government money. We must, therefore, use this tool to safeguard the integrity of Government programs.

Like any tool, however, computer matching must be used properly. H.R. 4699 is designed to standardize the rules regarding computer matching. The procedures established by the bill will help prevent the tool itself from being misused. These procedures are reasonable.

I'd like to take this opportunity to express my appreciation to Subcommittee Chairman ENGLISH. Both sides of the aisle worked closely on this legislation. While the subcommittee considered the bill, several issues developed that needed attention, and together we were able to resolve the "glitches."

As a result the final product is a good one. As evidence of this, H.R. 4699 passed both subcommittee and full committee without dissent.

Madam Speaker, I recommend that the House pass H.R. 4699.

Madam Speaker, I have no requests for time and I, therefore, yield back the balance of my time.

Mr. ENGLISH. Madam Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from Oklahoma [Mr. ENGLISH] that the House suspend the rules and pass the bill, H.R. 4699, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. ENGLISH. Madam Speaker, I ask unanimous consent that the Committee on Government Operations be discharged from further consideration of the Senate bill (S. 496) to amend title 5 of the United States Code, to ensure privacy, integrity, and verification of data disclosed for computer matching, to establish Data Integrity Boards within Federal agencies, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. McCANDLESS. Madam Speaker, reserving the right to object, I will not object. I feel that the action being requested by the gentleman from Oklahoma [Mr. ENGLISH] is a good one and I recommend it to the body.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That any tool, however, computer matching must be used properly. H.R. 4699 is designed to standardize the rules regarding computer matching. The procedures established by the bill will help prevent the tool itself from being misused. These procedures are reasonable.

SEC. 2. MATCHING AGREEMENTS.—(a) IS GENERAL.—Subsection (b) of section 552a of title 5, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (11),

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "or", and

(3) by adding at the end thereof the following new paragraph:

"(13) to a recipient agency or non-Federal matching entity pursuant to a written matching agreement under subsection (c) of this section."

(b) MATCHING PROGRAMS.—Section 552a of title 5, United States Code, is amended—

(1) by redesignating subsections (o), (p), and (q) as subsections (r), (s), and (t), respectively, and

(2) by inserting after subsection (n) the following new subsections:

"(o) MATCHING AGREEMENTS.—Prior to disclosing any record which is contained in a system of records to a recipient agency or non-Federal matching entity for use in a computer matching program, a source agency and the recipient agency or non-Federal matching entity shall enter into a written agreement specifying—

"(1) the justification, purpose, and legal authority for conducting the program;

"(2) a description of the records that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program;

"(3) procedures for notifying upon application and periodically thereafter—

"(A) applicants for and recipients of financial assistance or payments under Federal benefit programs, and

"(B) applicants for and holders of positions as Federal personnel,

that any information provided by such applicants, recipients, and holders may be subject to verification through matching programs;

"(4) procedures for verifying information produced in such matching program as required by subsection (p);

"(5) procedures for retention and destruction of records created by such matching program;

"(6) procedures for ensuring the administrative, technical, and physical security of the records matched and the results of such programs;

"(7) prohibitions on duplication and redisclosure of records provided by the source agency within or outside the recipient agency or the non-Federal matching entity, unless authorized by the source agency with the terms of the authorization;

"(8) procedures governing the use of the records provided by the source agency for use in a matching program including procedures governing return to the source agency or destruction of the records used in such program; and

"(9) information on assessments that have been made on the accuracy of the records that will be used in such matching program.

"(p) VERIFICATION AND OPPORTUNITY TO CONTEST FINDINGS.—(1) In order to protect any individual whose records are used in matching programs, no recipient agency, non-Federal matching entity, or source agency may suspend, terminate, reduce, or make a final denial of any financial assistance or payment under a Federal benefit

program to such individual, or take other adverse action against such individual as a result of information produced by such matching program, until such agency or entity has independently verified such information. Subject to the requirements of this subsection, such independent verification may be satisfied by verification requirements governing such Federal benefit program.

"(2) Independent verification required by paragraph (1) shall include verification of—

"(A) the amount of the asset or income involved,

"(B) whether such individual actually has or had access to such asset or income for such individual's own use, and

"(C) the period or periods when the individual actually had such asset or income.

"(3) No recipient agency, non-Federal matching entity, or source agency may suspend, terminate, reduce, or make a final denial of any financial assistance or payment under a Federal benefit program to any individual described in paragraph (1), or take other adverse action against such individual as a result of information produced by a matching program, until such individual has been notified by such agency or entity of its findings and has been given an opportunity to contest such findings. Such opportunity may be satisfied by notice, hearing, and appeal rights governing such Federal benefit program.

"(4) SANCTIONS.—Notwithstanding any other provision of law, no source agency may disclose any record which is contained in a system of records to a recipient agency or non-Federal matching entity for a matching program if such source agency has reason to believe that the requirements of subsection (p) and any matching agreement entered into pursuant to subsection (o) are not being met by such recipient agency or entity."

SEC. 3. NOTICE OF MATCHING PROGRAMS.

(a) NOTICE IN FEDERAL REGISTER.—Subsection (e) of section 552a of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (10),

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(12) If such agency is a recipient agency or a source agency in a matching program with a non-Federal matching entity, with respect to any establishment or revision of a matching program, at least 30 days prior to conducting such program, publish in the Federal Register notice of such establishment or revision."

(b) REPORT TO CONGRESS AND OFFICE OF MANAGEMENT AND BUDGET.—

(1) IN GENERAL.—Subsection (r) of section 552a of title 5, United States Code, as redesignated by section 2(b)(1) of this Act, is amended by striking out "system of records" and inserting in lieu thereof "system of records or matching program".

(2) CLERICAL AMENDMENT.—The heading of such subsection (r) is amended by inserting "OR PROGRAMS" after "SYSTEMS".

SEC. 4. DATA INTEGRITY BOARD.

Section 552a of title 5, United States Code, as amended by section 2(b)(1) of this Act, is amended by adding at the end thereof the following new subsection:

"(u) DATA INTEGRITY BOARDS.—(1) Every agency conducting or participating in a matching program shall establish a Data Integrity Board to oversee and coordinate among the various components of such agency the agency's implementation of this section.

"(2) Each Data Integrity Board shall consist of senior officials designated by the head of the agency, including any senior official designated by the head of the agency as responsible for implementation of this section, and the Inspector General of the agency, if any. The Inspector General shall not serve as chairperson of the Data Integrity Board.

"(3) Each Data Integrity Board shall perform the following functions:

"(A) review, approve, and maintain all written agreements for receipt or disclosure of agency records for matching programs to ensure compliance with subsection (o), and all relevant statutes, regulations, and guidelines;

"(B) review all matching programs in which the agency has participated during the year, either as a source agency or recipient agency, determine compliance with applicable laws, regulations, and agency agreements, and assess the cost-benefits of such programs;

"(C) review all recurring matching programs in which the agency has participated during the year, either as a source agency or recipient agency, for continued justification for such disclosures and for compliance with applicable laws, regulations, and agency agreements, and assess the cost-benefits of such programs;

"(D) compile an annual report to the head of the agency and the Office of Management and Budget on the matching activities of the agency, including—

"(i) matching programs in which the agency has participated as a source agency or recipient agency;

"(ii) matching agreements proposed under subsection (o) that were disapproved by the Board; and

"(iii) the matching of records as a source agency or recipient agency under programs not covered by this section or described in subparagraphs (A) through (E) of subsection (a)(8);

"(E) serve as a clearinghouse for receiving and providing information on the accuracy, completeness, and reliability of records used in matching programs;

"(F) provide interpretation and guidance to agency components and personnel on the requirements of this section with respect to matching programs;

"(G) review agency recordkeeping and disposal policies and practices with regard to matching programs to assure compliance with this section; and

"(H) review and coordinate privacy training programs for the agency's personnel.

"(4) Each Data Integrity Board shall maintain such staff as necessary to carry out its functions specified by this subsection. Such staff shall include persons designated by the head of the agency as responsible for implementation of this section.

"(5) The Director of the Office of Management and Budget shall annually consolidate in a report to the Congress the information contained in the reports from the various Data Integrity Boards under paragraph (3)(D)."

SEC. 5. DEFINITIONS.

Subsection (a) of section 552a of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and

(3) by adding at the end thereof the following new paragraphs:

"(B) the term 'matching program'—

"(A) means any computerized comparison

"(i) two or more automated systems of records or a system of records with a set of non-Federal records for the purpose of—

"(i) establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements, by applicants, recipients, beneficiaries, of participants for, or providers of services with respect to, financial assistance or payments under Federal benefit programs, or

"(ii) recouping payments or delinquent debts under such Federal benefit programs, or

"(ii) two or more automated Federal personnel or payroll systems of records or a system of Federal personnel or payroll records with a set of non-Federal records,

"(B) but does not include—

"(i) matches performed to produce aggregate statistical data without any personal identifiers;

"(ii) matches performed to support any research or statistical project, the specific data of which cannot be used to make decisions concerning the rights, benefits, or privileges of specific individuals;

"(iii) matches performed by a source agency in which no records are matched outside such source agency or any component thereof, unless those matches involve a comparison of the source agency's personnel or payroll records with the records of a Federal benefit program administered by that agency;

"(iv) matches performed subsequent to the initiation of a specific law enforcement investigation by an agency or component thereof, which performs as its principal function any activity pertaining to the enforcement of criminal laws, for the purpose of gathering evidence for a prospective law enforcement proceeding against named individuals;

"(v) matches of tax information pursuant to section 6103(d) of the Internal Revenue Code of 1986; or

"(vi) matches performed to produce background checks for security clearance of Federal personnel;

"(9) the term 'recipient agency' means any agency, or contractor thereof, receiving records contained in a system of records from a source agency for use in a matching program;

"(10) the term 'non-Federal entity' means any State or local government, or agency thereof, partnership, corporation, association, or public or private organization receiving records contained in a system of records from a source agency for use in a matching program;

"(11) the term 'source agency' means any agency or any State or local government, or agency thereof, which discloses records contained in a system of records to be used in a matching program;

"(12) the term 'Federal benefit program' means any program administered by the Federal Government, or any agent thereof, providing cash or in-kind assistance in the form of payments, grants, loans, or loan guarantees to individuals; and

"(13) the term 'Federal personnel' means officers and employees of the Government of the United States, members of the uniformed services (including members of the Reserve Components), individuals entitled to receive immediate or deferred retirement benefits under any retirement program of the Government of the United States (including survivor benefits)."

MOTION OFFERED BY MR. ENGLISH

Mr. ENGLISH. Madam Speaker, I offer a motion.

The Clerk read as follows:

August 1, 1980

CONGRESSIONAL RECORD — HOUSE

H6991

Mr. English moves to strike all after the enacting clause of the Senate bill (S. 498) and insert in lieu thereof the provisions of H.R. 4699, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4699) was laid on the table.

GENERAL LEAVE

Mr. ENGLISH. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material on the bill, H.R. 4699, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Madam Speaker, as I have over the course of a few years and with due respect and with all respect, I have addressed the House and my colleagues under the general rubric of "My Advice to the Privileged Orders." I evoked the memory of a great American revolutionary patriot Joel Barlow who was one, if not the, chaplain, for George Washington's armies.

But on top of that he was a great pamphleteer, the equal in my book to Tom Paine, as well as a poet, a versist, who wrote great tracts such as his Columbiad in which he anticipated what turned out to be the great internal struggle that divided our countries in such a bloody civil war as the Civil War of 120 years ago.

In these appeals to my colleagues, I have arranged what I considered to be the vital issues confronting us as legislators as well as just plain ordinary American citizens.

I have offered, to each one of the criticisms that I have made, a series of recommended legislative acts or resolutions.

In the course of this role—and it is one that actually while making use of this great privilege known as special orders which as the rules provide enable a Member of a numerous body an opportunity to extend after all legislative business has been completed or any previous special orders ap-

proved to extend over issues that during limited debate, which is a necessity in the course of conducting the business of a multiple body such as the 435 Members of the U.S. House of Representatives, you must have a limitation on debate.

So, these special orders provide a Member, after asking for unanimous consent, to address the House up to 1 hour.

During the course of these presentations and particularly during the advent of the Reagan administration, I have expressed profound concern as to the constitutional viability of our system if it is to endure and perdure in the time honored and accepted tradition that we have inherited where we have three organs of government, the basic organs of government that are equal, separate, and independent. We reached the day and time when through a concourse of events the societal development throughout the world in the era of electronic instantaneous communication, in an era in which transportation has shrunk the size of this globe, and an era in which by almost acceptance we have almost imperceptively accepted the doctrine that we must have a supreme commander, that we have to have some unitary power, in this case the office of the Presidency, which will override, will be supreme to and exceeding in power that of the other branches of government including that which article I of the Constitution places as the first and foremost, which is the Congress of the United States, or the elected representatives of the people.

So, that what I am going to discuss now is a continuation of something I touched upon last week and the week before last and one which, in 1981, particularly in 1982, with the Reagan's announced plans from its very inception through Alexander Haig who was Secretary of State at the time that Central America in particular, Latin America in general, would be the first and foremost order of priority, that the administration in the words of Secretary Haig, considered this the site of an East-West confrontation; that incursions were being made of a Communist nature if not inspired certainly invoked in the name of Marxist/Leninists and with the supposed help and the accused help of Cuban Communists or even Russian or Soviet.

The history of this now seems ancient history but I can recall when in 1981 I took the floor and announced that plans were in the making for an actual invasion of Nicaragua. In 1982 we had one of the most unusual and infrequent secret sessions of the House of Representatives supposedly to receive a briefing from the CIA. I refused to attend on the basis that there would be nothing told this Congress that could not be afforded to have been reported to all of the American people, and in the words I used on the House floor in considering the

motion to adjourn at 10:00 a.m. that in a secret session I said that we should open the doors and all the windows and invite general America because the CIA was not about to tell us the real facts which it had for some time obscured and hidden and not reported either to the Congress, and in some cases, to the President.

Last week the Washington Post had a headline. About a day or so later, the New York Times reported the same contents of that headline or front page story in an inside page, to the effect that the President sanctioned and had approved a covert action against General Noriega.

Well, that intrigued me. In the first place, how can anything be covert if it is on the front page of the leading Northeast newspaper of our country? Certainly there is something wrong.

□ 1245

But this has been the whole dreary subject, the whole dreary record this has been ever since the inception of the obsession of this administration with Central America on an ideological basis, apparently and ostensibly guided by such people as the then Ambassador to the United Nations, a rather malevolent woman, in my book, named Jeane Kirkpatrick, who immediately, upon her assumption of that post at our U.N. legation in New York, traumatized it by firing all of the experienced diplomats, some of whom had been there for years, and instead named ideologues and clones, including the one who is there now, of all things—and it is unbelievable to me—the Deputy Secretary of State for Inter-American or Latin American affairs, Elliot Abrams. Even though he had no background whatsoever and no preparation whatsoever, Kirkpatrick brought him in, strictly on an ideological basis, because he happened to be the son-in-law of Norman Podhoretz, who happened to be the editor of the Commentary and the man who brought Jeane Kirkpatrick to President Reagan's attention to begin with.

Now, this is the man who is sitting in this awesome position, and I think this dreary record, this record of bankruptcy of our country and of this administration's use of power in Latin America should be sufficient to cause us, especially those of us in the Congress, to ask, just where are we? Where are we heading? Where have we been? What have we wrought? What disasters have we now made or are now in the process of making? What happened to bring about this notice that the President was going to sanction some kind of covert action against Noriega?

In the first place, just going into a little bit of history, going back to 1981, this administration and some components of our armed forces decided, after the 1980 failure of the rescue of the hostages in Iran, with the disaster in the desert, that the military would have to develop its own equivalent of